

Chapter 11 – Independent Expenditure Reporting

A. Overview

As described in detail in Chapter 8, a payment for a communication that expressly advocates support of or opposition to a candidate or ballot measure, which is not made at the behest of the candidate or the measure committee, is an independent expenditure (“IE”). In California, the number of committees making IEs has grown significantly in both state and local elections.

Whether a communication is an independent expenditure depends on the actual message and whether or not there has been coordination between the committee making the IE and the affected candidate or measure committee. Chapter 8 provides general guidance, including examples to assist committees in determining if a payment for a communication is considered an “independent expenditure.” If the examples are not helpful, contact the FPPC for assistance by sending an email with specific facts to advice@fppc.ca.gov.

[Quick Tip] There is an exception for “member communications” sent solely to an entity or organization’s employees, shareholders, or members. See Chapter 8 for information about member communications.

The Act requires committees making IEs to file several reports so that voters are fully informed of who is paying for the communications that urge voters to vote for or against a particular candidate or measure. Because the affected candidate or measure committee will not report the expenditures, the committee making the IEs must file reports at the same time the candidate or measure committee will file reports. In addition, a verification form is filed so that a responsible individual may be contacted to address any inquiries related to an IE.

This chapter describes how to complete each of the required forms and reviews when and where to file them. In general, a committee that makes an independent expenditure of \$1,000 or more is required to file each of the forms listed below.

- Form 462 (Verification of Independent Expenditures)
- Form 465 (Supplemental Independent Expenditure Report)
- Form 496 (24-hour Independent Expenditure Report)

These reports are filed in addition to any required preelection and semi-annual campaign statements (Form 460). Independent expenditures disclosed on these reports must also be reported on the committee’s next Form 460.

[Quick Tip] Certain 501(c)(3) and 501(c)(4) organizations making only occasional independent expenditures to support or oppose ballot measures may be eligible for event-based reporting. See page XX.

Filing Deadlines

Filing schedules with specific deadlines are posted on the FPPC website. Disclosure reports must be filed on time so that voters are fully informed before an election.

Deadline	Form	Filing Location
Within 24 hours	496	Filing officer where election is held
10 days after first IE	462	FPPC
Preelection/semi-annual deadlines	465	Filing officer where election is held

Notes:

- Filing deadlines cannot be extended.
- For statements required to be mailed, the date of the postmark is considered the date filed.
- Failure to file on time may result in late filing penalties of \$10 for each day the statement is late.
- State electronic filers may be fined for both the electronic statement and the paper copy, resulting in a \$20/day fine.
- Failure to file a statement may result in additional penalties of up to \$5,000 per violation.

Valuing Mailings

Multiple candidates/measures: The cost of a communication paid for by an independent expenditure that expresses support of or opposition to more than one candidate or ballot measure may be attributed to each featured candidate and ballot measure by calculating the prorated costs based on the amount of space allotted to each candidate or ballot measure supported or opposed in the mailer.

The value of a mailer that supports or opposes candidates and measures being voted on in different jurisdictions may be prorated based on the number of mailers sent to each candidate or ballot measure's jurisdiction.

[Example] A PAC produces and mails a one-page flyer urging voters to vote for Proposition 310 and to vote for two statewide candidates. Half of the flyer is devoted to supporting Proposition 310 and the other half equally supports the candidates. The PAC coordinates the mailing with the committee primarily formed to support Proposition 310, but does not coordinate with either candidate's committee. The total cost of producing and mailing the flyer is \$14,000. The PAC has made a nonmonetary contribution to the committee supporting Proposition 310 valued at \$7,000, and has made independent expenditures of \$3,500 apiece supporting the two candidates.

Political and non-political material: The cost of a communication paid for by an independent expenditure that contains both express advocacy in support of or opposition to a candidate or ballot measure, as well as non-political material, may be prorated. Costs directly associated with the political message are reportable, including, for example, compensation paid to employees who spend more than 10 percent of their compensated time in a calendar month producing or mailing the political materials, and the pro rata cost of paper, envelopes, and postage. The allocation may be based on the additional weight of the political material or the comparative number of pages between the political and non-political material.

[Example] A local association of realtors is holding a golf tournament, which will be featured as a networking and marketing event for its members. The association sends invitations, which

include an option for attendees to donate an additional sum earmarked for the association's sponsored committee. Because the invitations include non-political material as well as political material (i.e., the portion of the invitation that solicits contributions for the association's sponsored committee), the costs may be prorated.

B. Form 462 - Verification of Independent Expenditures

A state or local general purpose committee that makes an independent expenditure of \$1,000 or more in a calendar year to support or oppose a single candidate, single ballot measure, or the qualification of a single ballot measure, must file the Form 462.

The Form 462 identifies an individual who is a principal officer of the committee. Any individual listed as a principal officer on the committee's Statement of Organization (Form 410) may sign the Form 462. This individual acknowledges, under penalty of perjury, that the committee's independent expenditures were not coordinated with the listed candidate or measure committee (or the opponent) and that the committee will report all contributions and reimbursements as required by law.

Who is a Principal Officer?

A principal officer is an individual primarily responsible for approving the political activity of the committee such as:

- Authorizing the content of communications.
- Authorizing independent expenditures.
- Determining the committee's campaign strategy.

When to File

File within 10 days from the date of an independent expenditure that totals, in the aggregate, \$1,000 or more to support or oppose a candidate or measure in a calendar year. A candidate or measure is only required to be listed once for each election.

Where to File

The Form 462 must be filed via email with the FPPC (form462@fppc.ca.gov). The originally signed form must be maintained with the committee's records for four years.

Completing the Form 462

[Form 462 Example here]

Name of Committee

Identify the name and street address of the committee that is making the independent expenditure(s). The address should be the same as the address listed on the committee's Statement of Organization (Form 410).

Candidates or Measures

List the candidate(s) and measure(s) supported or opposed. If the committee files this form and later makes independent expenditures in connection with other candidates or measures, subsequent forms do not need to repeat the previously identified candidates and measures. Once a candidate or measure is listed on the Form 462, no further Form 462 filings are required for that candidate or measure for that election.

[Examples] A general purpose committee made independent expenditures to oppose a candidate in the primary election and filed a Form 462 listing the candidate. If the committee makes independent expenditures to oppose the same candidate in the general election, a new Form 462 must be filed since it is a different election.

A general purpose committee made independent expenditures to oppose a candidate in the November general election and filed a Form 462 listing the candidate. The committee then made independent expenditures to support a different candidate in the same election. A new Form 462 must be for the second candidate, but the first candidate is not listed again since a Form 462 was already filed for that candidate for that election.

Verification

The form must be reviewed and signed by the committee's principal officer. If the committee has more than one principal officer, only one individual must sign the Form 462. The individual must be listed on the committee's Statement of Organization (Form 410). The same principal officer is not required to sign each Form 462.

The individual acknowledges, under penalty of perjury, that the committee's independent expenditures were not coordinated with the listed candidate or measure committee (or the opponent) and that the committee will report all contributions and reimbursements as required by law.

Amendments

To amend a previously filed Form 462, file a new Form 462 with the corrected information, check the "Amendment" box, and provide a brief explanation of the amendment. Amendments must be filed within 10 days of the change. Like the original, the amendment must be signed and dated. The Form 462 amendment must be filed via email with the FPPC (form462@fppc.ca.gov).

C. Form 465 (Supplemental Independent Expenditure Report)

In addition to filing the Form 462, a state or local general purpose committee that makes an independent expenditure of \$1,000 or more in a calendar year to support or oppose a single candidate, single ballot measure, or the qualification of a single ballot measure, must file the Form 465.

If a communication lists more than one candidate or measure, the Form 465 is filed only if \$1,000 or more was expended on each candidate or measure featured. A separate Form 465 must be filed for each candidate or measure supported or opposed.

[Example] Stonecreek Vineyards mails a flyer asking the voters to vote for three ballot measures. The flyer is not sent at the behest of the committees formed to support the measures. The total cost of the mailing, including postage, amounts to \$44,850. Because the amount attributable to each measure is \$1,000 or more, Stonecreek Vineyards must file a Form 465 for each measure.

[Quick Tip] The Form 465 will repeat information previously disclosed on a Form 496. Both of these reports are filed with the same filing officer that receives campaign statements prepared by the candidate or measure committee. In odd-numbered years, many state committees make IEs in connection with a local election; these reports are filed with the local elections office. In this manner, the public may obtain, at one location, the political payments of both the candidate/measure committee and the committee making IEs. In some instances, the committee making IEs will report more funds paid in connection with voter advertisements than a candidate.

When to File Form 465

The Form 465 is filed at the same time(s) the candidate or committee supported or opposed by the independent expenditure must file its preelection or semi-annual campaign reports (Form 460). This provides the public with a total picture of the money spent in connection with the particular candidate or measure. Consult the election filing schedules for specific deadlines.

Where to File Form 465

The Form 465 is filed in the same manner and location(s) that a committee primarily formed to support or oppose the candidate or ballot measure identified in the communication would file. This is so the voters in the affected jurisdiction have access to reports showing who has spent funds in an attempt to influence the voters there. A separate Form 465 must be filed for each candidate or ballot measure supported or opposed.

Jurisdiction of Candidate or Measure Supported/Opposed	Location of Filing Form 465
Statewide	Secretary of State
Senate or Assembly District	Secretary of State
CalPERS/CalSTRS	Secretary of State
Multi-County	Also file a copy at CalPERS/CalSTRS board office County with the largest number of registered voters in the jurisdiction
County	County in which the candidate or measure will appear on the ballot. LAFCO proposals: County where measure likely to appear on the ballot and the LAFCO.
City	City in which the candidate or measure will appear on the ballot

File an original and one copy in the first filing location listed in the above chart for your type of committee and activity. If additional filing locations are listed, file one copy in each location

Note: State committees that are required to file electronically must file the Form 465 electronically and must also file a paper copy with the Secretary of State.

[Example] *A county general purpose committee makes an independent expenditure of \$10,000 on April 19 to support a candidate for the State Senate in the June primary election. Since the independent expenditure was made during the candidate's second preelection reporting period, the general purpose committee must file a Form 465 with the Secretary of State by the deadline for the candidate's second preelection statement.*

Quick tip: A committee that triggers a Form 465 in connection with the second preelection filing must file the report by personal delivery or guaranteed overnight mail.

Completing the Form 465

Period Covered

The period covered by this report begins the day after the closing date of the most recent Form 465 filed related to the candidate or measure supported or opposed. If this is the first Form 465 filed for the current calendar year for a particular candidate or measure, the period covered begins January 1. The closing date of the period covered is the closing date for the current campaign statement being filed by the candidate or measure. For example, if the independent expenditure was made during the first preelection period, the Form 465 would cover the period through the closing date for the first preelection statement filed by the candidate or measure identified in the communication.

Committee/Filer Information

Provide the committee's full name, address, and telephone number as listed on the Statement of Organization (Form 410).

Name of Candidate or Measure Supported or Opposed

Report the name of the candidate supported or opposed by the independent expenditure and the office the candidate is seeking, including the district number if applicable. Or, report the name of the ballot measure supported or opposed, including the ballot number or letter, if it has been assigned, and the jurisdiction of the election. Indicate whether the independent expenditure supported or opposed the candidate or ballot measure.

Independent Expenditures Made

Provide the date the independent expenditure was made, as well as the name and address of the payee and a short description of the expenditure, its amount, and the cumulative to date amount expended during the calendar year on behalf of the candidate or measure.

Summary

Complete the summary section by entering the total of all independent expenditures of \$100 or more made during the period for the candidate or ballot measure, the total of all independent expenditures of under \$100 made during the period, and the total for both.

Filing Officers

Enter the name and address of each filing officer with whom the committee files its regular preelection and semi-annual statements.

Verification

The committee treasurer or the assistant treasurer named on the committee's Statement of Organization (Form 410) must review the form and complete the verification. Under certain circumstances, the responsible officer of a sponsoring organization must sign the Form 465. The Form 465 is not considered filed if it is not signed.

Amendments

To amend a previously filed Form 465, file a new Form 465 with the corrected or missing information, check the "Amendment" box, and provide a brief explanation of the amendment. Like the original, the amendment must be signed and dated. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

D. Form 496 (24-Hour Independent Expenditure Report)

90-Day Election Period

In addition to the Form 462 and Form 465, a state or local general purpose committee that makes an independent expenditure of \$1,000 or more to support or oppose a single candidate or ballot measure during the 90 days prior to a candidate's or measure's election must file **within 24 hours** a separate Form 496 for each candidate or measure.

The 24-hour reports are the most important of the independent expenditure disclosure reports because they provide "real time" information before the election about who is spending money to influence voters about candidates and measures in a particular jurisdiction.

All independent expenditures must also be disclosed on the committee's next campaign statement (Form 460) and on the Supplemental Independent Expenditure Report (Form 465).

When to File Form 496

State Elections: Committees that make an independent expenditure of \$1,000 or more to support or oppose a single state candidate or a single state ballot measure during the candidate's or measure's 90 day election cycle must file a separate Form 496 within 24 hours for each candidate or ballot measure supported or opposed. The report must be filed **electronically** within 24 hours regardless of the day of the week.

Local Elections: Committees that make an independent expenditure of \$1,000 or more to support or oppose a single candidate or single ballot measure during the 90 days prior to the local candidate's or measure's election must file a separate Form 496 for each candidate or ballot measure supported or opposed. The report must be filed within 24 hours regardless of the day of the week and must be filed by fax, guaranteed overnight delivery, or personal delivery. Regular mail may not be used. Check with the local jurisdiction about possible electronic filing requirements. Local agencies that have an approved electronic filing program in accordance with Government Code Section 84615 may eliminate the filing of a paper Form 496.

Where to File Form 496

The Form 496 is filed in the same location(s) that a committee primarily formed to support or oppose the candidate or measure identified in the communication would file. This allows the voters in the jurisdiction where the election is taking place to have access to reports showing who has spent funds attempting to influence them. File a separate report for each candidate or ballot measure supported or opposed. If the Form 496 is filed electronically with the Secretary of State, no paper copies are required. Exception: As noted in the chart below, if independent expenditures are made to support or oppose a candidate for the CalPERS or CalSTRS board, a copy must be filed with the relevant board office. If the Form 496 is required to be filed with a local jurisdiction, an original and one copy must be filed.

Jurisdiction of Candidate or Measure Supported/Opposed	Location of Filing Form 496
Statewide	Secretary of State
Senate or Assembly District	Secretary of State
Supreme Court justice, court of appeal justice, superior court judge	Secretary of State
CalPERS/CalSTRS	Secretary of State
	Also file a copy at CalPERS/CalSTRS board office
Multi-County	County with the largest number of registered voters in the jurisdiction
County	County in which the candidate or measure will appear on the ballot. LAFCO proposals: County where measure likely to appear on the ballot and the LAFCO.
City	City in which the candidate or measure will appear on the ballot

[Example] Within 90 days of a county election, a state general purpose committee makes an independent expenditure of \$4,000 to support a San Joaquin County ballot measure. The committee must file the Form 496 within 24 hours with the San Joaquin County elections office, where the measure is being voted on. If the same committee makes an independent expenditure to support a city council candidate in Stockton within 90 days of the election, the committee must also file the Form 496 within 24 hours with the Stockton city clerk's office.

[QuickTIP] A state general purpose committee that makes independent expenditures to support or oppose local candidates or ballot measures may trigger reporting as a city or county committee instead of a state committee. Similarly, a local general purpose committee that makes independent expenditures to support or oppose state candidates or ballot measures may trigger reporting as a state committee. See Chapter 1 for information on how to determine if the committee is a state, county, or city committee.

[QuickTIP] If subsequent independent expenditures of \$1,000 or more are made to support or oppose the same candidate or ballot measure, another Form 496 is required to be filed. For example, a committee files a Form 496 in April to disclose an independent expenditure of

\$1,500 made to oppose a candidate on the June ballot. In May, the committee makes another independent expenditure of \$1,500 to oppose the same candidate. The committee must file a second Form 496 within 24 hours to report the subsequent independent expenditure. However, if the committee made a \$1,500 independent expenditure in April and made its last independent expenditure of \$500 in May, a second Form 496 is not required.

Outside the 90-Day Election Cycle (Ballot Measure Reports)

State Elections Only

In addition to the 90-day, 24-hour reports discussed above, at all times other than the 90-day election cycle, a state general purpose committee that is required to file electronically with the Secretary of State must file **within 10 business days** a Form 496 each time it makes independent expenditures totaling \$5,000 or more to support or oppose the qualification or passage of a **single state ballot measure**. The report must be filed electronically with the Secretary of State.

All independent expenditures must also be disclosed on the committee's next campaign statement (Form 460) and on the Supplemental Independent Expenditure Report (Form 465).

[Form example here...]

Completing the Form 496

Filer Information

Provide the committee's full name, address, and telephone number as listed on the Statement of Organization (Form 410).

Date of This Filing

Indicate the date of filing the report.

Report Number

Assign a unique number to each 24-hour independent expenditure report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

Number of Pages

Indicate the number of pages included in the report.

Name of Candidate or Ballot Measure Supported or Opposed

Disclose the name, office sought or held, and the district number, if applicable, of the candidate supported or opposed in the communication. Or, disclose the name, ballot number or letter, if assigned, and jurisdiction of the ballot measure supported or opposed. Check the box indicating whether the candidate or ballot measure was supported or opposed by the independent expenditure.

Note: When filing a \$5,000 ballot measure report (state committees only – see above) outside of the 90-day election cycle, if the measure has not yet been assigned a ballot number or letter, include the title of the measure if the title has been issued by the Attorney General. If the title has not yet been issued, include the subject of the measure.

Independent Expenditures Made

Disclose the date the committee made the independent expenditure. In the “Description of Expenditure” column, include a description of the independent expenditure (e.g., printing, postage, mail house) and the cumulative-to-date total relating to each candidate or measure. List the amount of the specific expenditure in the “Amount” column.

The cumulative-to-date total includes independent expenditures made in connection with a candidate or measure’s upcoming election. When a committee has made independent expenditures in connection with a candidate’s prior election, do not include the amount in the current report. For example, independent expenditures made in connection with a general election would not include the amount of independent expenditures made in connection with the primary election or a prior year’s election. The cumulative-to-date total must be accurate on the most recent report filed, but the committee is not obligated to amend the cumulative amount on previous reports.

Note: The cumulative-to-date total is not required when filing a \$5,000 ballot measure report (state committees only – see above) outside of the 90-day election cycle.

[Quick Tip] When reporting an independent expenditure on Form 496, also report the cumulative-to-date total IE’s the committee has made on that candidate or measure for the relevant election.

Contributions of \$100 or More Received

Disclose contributions of \$100 or more received since the closing date of the last campaign statement (e.g., Form 460) through the date of the independent expenditure. If no statement has been filed in the current calendar year, start with January 1.

Disclose the name and street address of the donor and, if the donor is an individual, his or her occupation and the name of his or her employer. If the individual is self-employed, disclose the name of the business. Also disclose the date and amount of the contribution and if the contribution is a loan, the interest rate. Once you have disclosed a contribution on the Form 496, it is not necessary to report that contribution on any additional Form 496 filings; however, it must be reported on the committee’s next regular campaign statement (e.g., Form 460).

Multi-purpose organizations (i.e., nonprofits, federal PACs): Refer to Chapter 1 or FPPC Regulation 18412 for rules on how to determine which donors must be disclosed.

Event-based reporting: Certain 501(c)(3) and 501(c)(4) organizations making only occasional independent expenditures to support or oppose ballot measures may be eligible for event-based reporting as explained in the following pages.

Amendments

To amend a previously filed Form 496, file a new Form 496 with the corrected information, a new Report Number, the “Amendment” box checked, and a brief explanation of the amendment. The Report Number assigned to the original report being amended should be entered on the “Amendment to Report No.” line. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

[Quick Tip] Significant amendments to the Form 496 known before the election should be made as soon as possible. Filers reporting minimal independent expenditures before an election and filing amendments after the election to disclose substantial independent expenditures could be referred to the Enforcement Division for nondisclosure.

E. Event-Based Independent Expenditure Reporting for Eligible Nonprofits

A multi-purpose organization that only occasionally makes independent expenditures from its general treasury to support or oppose state or local ballot measures may qualify for simplified reporting. FPPC Regulation 18413 provides an event-based reporting alternative for certain 501(c)(3) and 501(c)(4) organizations. Eligible organizations are not required to file a Statement of Organization (Form 410) and file ongoing reports as a recipient committee. Alternatively, these organizations are permitted to disclose the payments on the independent expenditure reporting forms that are required when an independent expenditure is made.

The event-based reporting alternative may **not** be used to disclose:

- Contributions to candidates or committees, including contributions to ballot measure committees
- Independent expenditures to support or oppose candidates

Which Organizations May Use Event-Based Reporting?

An organization may use event-based reporting only if the organization meets each of the following criteria:

- The organization has obtained 501(c)(3) or 501(c)(4) tax exempt status from the IRS and obtained a tax exempt determination from the California Franchise Tax Board or from the state where it is incorporated.
- The organization uses funds from its general treasury and does not solicit donations for political purposes.
- The organization is multi-purpose (i.e., it receives donations, membership dues, or other payments for purposes other than making political expenditures in California).
- The organization only occasionally makes independent expenditures using donated funds from its general treasury to support or oppose ballot measures in California. “Occasionally makes independent expenditures” means either of the following:
 - Expenditures from the organization’s general treasury totaling, in the aggregate in a calendar year, less than \$500,000 to support or oppose four or fewer state ballot measures; or
 - Expenditures from the organization’s general treasury totaling, in the aggregate in a calendar year, less than \$50,000 to support or oppose one or more local ballot measures.

[Example] Charity for Children is a 501(c)(3) organization that opposes a state ballot measure on the November ballot. On June 1, the charity made its first political expenditure in California from its general treasury; a payment of \$20,000 for a mass mailing that urged voters to vote no on the measure. The mailing was produced by the organization independently of any other campaign committee. If the organization, from its general treasury, makes additional independent expenditures which total less than \$500,000 to oppose the state ballot measure, the organization may use the Independent Expenditure Report (Form 496) to disclose its expenditures and donors. A Form 462 must be filed but Forms 410, 460 and 465 are not required.

What Are the Advantages of Event-Based Reporting?

Event-based reporting is easier than filing as a recipient committee. An organization eligible for event-based reporting is not required to:

- Register as a recipient committee and file the Form 410.
- Filing ongoing committee reports, such as the Form 460.
- File the Supplemental Independent Expenditure Report (Form 465).

Instead, the organization may report all required donor and expenditure information in a single campaign statement on the Independent Expenditure Report (Form 496). A Form 462 is also required.

Recipient Committees

A multi-purpose organization will qualify as a recipient committee if it makes contributions to candidates, ballot measures and other committees. In addition, if the organization uses funds from a source other than its general treasury to pay for the independent expenditures, it will qualify as a recipient committee. For example, a multi-purpose organization that requests donors to help fund political campaigns may not use event-based reporting. Organizations are encouraged to seek advice before using the event-based reporting to ensure compliance with the reporting rules.

If a 501(c)(3) or 501(c)(4) organization that is registered as a recipient committee meets the requirements for event-based reporting, the organization has the option of disclosing the occasional independent expenditures made from the organization's general fund to support or oppose ballot measures on their regular recipient committee campaign reports (Form 460) or using the event-based reporting for those independent expenditures.

Notices on Political Advertisements

A multi-purpose organization using the event-based reporting is required to follow all applicable requirements for disclaimers on political mailings and advertisements. (See Chapter 9.)

When and Where to File Reports for Event-Based Reporting

An organization electing to report under the event-based reporting method must report an independent expenditure of \$1,000 or more on the Independent Expenditure Report (Form 496). The Form 496 must be filed electronically with the Secretary of State. If an independent expenditure is made to support or oppose a local measure, a copy must also be filed with the

city or county filing officer receiving original statements for the primarily formed ballot measure committees.

The Form 496 must be filed **within 10 business days** after making an independent expenditure of \$1,000 or more. If the independent expenditure is made during the 90 days preceding an election, the Form 496 is due **within 24 hours** after making the independent expenditure.

For purposes of filing Form 496, the date an independent expenditure is made is the date the communication is mailed, broadcast, or otherwise disseminated to the public. The organization must maintain records necessary to document the allocation of reportable donors and the independent expenditures reported.

In addition to filing the Form 496, the Verification of Independent Expenditures (Form 462) must be filed. The Form 462 is signed by a principal officer verifying that the communication reported as an independent expenditure is not coordinated with the ballot measure committee and there has been no reimbursement. The Form 462 must be emailed to the FPPC (form462@fppc.ca.gov) **within 10 days** of making the independent expenditure. See page XX for additional information about the Form 462.

[Insert Form 496 Event-Based Reporting Example]

Completing the Form 496 for Event-Based Reporting

Filer Information

Enter the organization's full name, street address, city, state, and zip code. In addition, include the designation "Eligible 501(c)(3) IE Report" or "Eligible 501(c)(4) IE Report" in the "Name of Filer" field.

Principal Officer. The report must also include the name of a current officer, director, or trustee of the organization listed on the organization's IRS Form 990, who will be responsible for the accuracy and completeness of the report. As shown in the example above, the principal officer's name may be included in the address field.

Date of This Filing

Indicate the date of filing the report.

Report Number

Assign a unique number to each independent expenditure report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

Name of Ballot Measure Supported or Opposed

Disclose the name of the ballot measure, the number or letter, and jurisdiction of the ballot measure supported or opposed. Check the box indicating whether the ballot measure was supported or opposed by the independent expenditure.

Independent Expenditures Made

Disclose the date, a description of the independent expenditure (e.g., radio advertisement, billboard, mailing), the amount and the cumulative-to-date total relating to each candidate or

measure. The cumulative-to-date total must be accurate on the most recent report filed, but the committee is not obligated to amend the cumulative amount on previous reports.

Contributions Received

Disclose the name and street address of the donor and if the donor is an individual, his or her occupation and the name of his or her employer. If the donor is self-employed, disclose the name of the business. Also disclose the date and amount of the contribution. If the contribution is a loan, enter the interest rate.

[Quick Tip] Foundation or Restricted Funds. Organizations need not identify a donor as a “contributor” if the organization has evidence clearly establishing that the donor did not intend the donations to be used for political purposes and the organization did not use the funds for such purposes.

[Example] A 501(c)(3) organization has never made a contribution or independent expenditure in connection with a California candidate, committee, or ballot measure. The organization opposes a ballot measure on the November ballot. On June 1, using funds in its general treasury, the organization made its first expenditure of \$5,000, a contribution to the committee primarily formed to oppose the measure. In October, the organization makes its second expenditure from its general treasury, a \$20,000 independent expenditure. The event-based reporting requires that the Form 496 must be filed within 24 hours and list the donors of \$100 or more that contributed to the general treasury since June 2nd whose funds were used to pay for the \$20,000 independent expenditure.

Amendments

To amend a previously Form 496, file a new Form 496 with the corrected information, a new Report Number, and the “Amendment” box checked. The Report Number assigned to the original report being amended should be entered on the “Amendment to Report No.” line. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment with the Secretary of State and the local filing official, if applicable.

Answering Your Questions

- Q. A nonprofit organization made an independent expenditure of \$475,000 in connection with a state measure and, in the same calendar year, made an independent expenditure of \$25,000 in connection with a local measure. Must the expenditures be aggregated for purposes of determining if the organization may use the event-based reporting option?
- A. No, the regulation does not require aggregation of the amounts to state and local measures.
- Q. A nonprofit organization has made contributions and independent expenditures in previous years and is registered as a California recipient committee. May the organization use the event-based reporting option to disclose independent expenditures to support or oppose ballot measures?
- A. Yes, so long as the organization’s activity meets the requirements for event-based reporting as described in this chapter. That is, the organization makes only occasional

independent expenditures to support or oppose ballot measures and it makes those expenditures from funds donated to its general treasury.

- Q. *A qualified nonprofit organization has been approached by a slate mailer organization (SMO) for \$200,000 to list a state measure on a slate mailer. The SMO states the payment will be an independent expenditure. Can the organization use the event-based reporting procedure?*
- A. Yes, so long as the payment to the SMO is for an independent expenditure. The organization may not use event-based reporting if the payment was a contribution made at the behest of the ballot measure committee. (The organization may only use event-based reporting if it had made a political expenditure in the current or prior four years of \$1,000 or more.)
- Q. *An organization received a federal grant on the condition that funds could not be used for political purposes. If the grant was the most recent receipt to the general treasury, must the federal government be listed as a donor?*
- A. No, so long as the organization has evidence clearly establishing that the grant was not to be used for political purposes, and the funds were not used for such purposes.
- Q. *A nonprofit organization is incorporated as a Section 501(c)(4) corporation with the IRS. The organization was incorporated in January and plans to make independent expenditures in the next 60 days. Is there a time period before a new organization making independent expenditures may use the event-based reporting procedure?*
- A. Regulation 18413 states the organization must be a multi-purpose organization. Although the regulation does not define multipurpose, the organization should contact the FPPC for written advice before using the event based procedure. An organization that just recently received nonprofit status and has not established a track record of spending that would establish it as a multipurpose organization should not assume it will qualify for event-based reporting.

Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

81004	Reports and Statements; Perjury; Verification.
81004.5	Reports and Statements; Amendments.
81007	Mailing of Report or Statement.
82036.5	Late Independent Expenditure.
82044	Payment.
82046	Period Covered.
82047.6	Principal Officer.
84200	Semi-Annual Statements.
84200.5	Preelection Statements.

84200.6	Special Campaign Statements and Reports.
84203.5	Supplemental Independent Expenditure Report.
84204	Late Independent Expenditures; Reports.
84204.5	Ballot Measure Contributions and Expenditures; Reports.
84211	Contents of Campaign Statement.
84213	Verification.
84215	Campaign Reports and Statements; Where to File.
84303	Expenditure by Agent or Independent Contractor.
84605	Who Shall File Online.
84615	Campaign Reports and Statements -Electronic Filing for Local Agencies.
85500	Independent Expenditures; 24-Hour Disclosure; Coordination.

Title 2 Regulations

18116	Reports and Statements; Filing Dates.
18225	Expenditure.
18227.5	General Purpose Committees.
18402.1	Principal Officers.
18412	Identifying Funding Sources for Contributions and Independent Expenditures Made by Certain Tax Exempt Organizations.
18413	Reporting Independent Expenditures by Eligible 501(c)(3)/501(c)(4) Organizations.
18423	Payments for Personal Services as Contributions and Expenditures.
18428	Reporting of Contributions and Independent Expenditures Required to be Aggregated.
18431	Reporting of Expenditures by an Agent or Independent Contractor.
18465.1	Verification of Online Filers.